

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
April 19, 2010**

CALL TO ORDER

Pursuant to due call and notice thereof, a regular meeting of the Shoreview City Council was called to order by Mayor Martin on April 19, 2010, at 7:00 p.m.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance to the flag.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart.

APPROVAL OF AGENDA

Councilmember Wickstrom requested a brief discussion about commercial fertilizer applicators during the *Special Order of Business* portion of the meeting.

MOTION: by Councilmember Quigley, seconded by Councilmember Huffman to approve the April 19, 2010 agenda as revised.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

Mr. Mark Stange announced the Run and Romp event that will take place on Saturday, April 24, 2010 at the Shoreview pavilion. The run is at 10:00 and the walk at 11:30 on the Snail Lake trails. Run and Romp is partnering with Helping Paws and Ramsey County Canine Corps. Two deputies were in attendance with their dogs from the Canine Corps that have competed nationally and have won first or second place in the nation. The event is sponsored by the Shoreview/Arden Hills Rotary Club. Registration can be done online or on the day of the event. Those who do not have a dog can borrow one. The money raised goes to Helping Paws, Canine Corps and youth scholarships.

CITIZEN COMMENTS

Mr. Tim Pratt, 5970 Pleasant Drive, Chair of the Environmental Quality Committee (EQC), announced the next Living Smarter speaker series class will be Wednesday, April 21, 2010. It will be a class on how individual life choices lessen impact on the environment, such as using rain barrels, eating locally, and composting. On Cleanup Day, Saturday, May 1, 2010, rain

barrels and compost bins will be on sale from 9:00 to 3:00 in Roseville, at the Dale Street entrance to Central Park between County Roads B2 and C. Compost bins are \$45 each and rain barrels are \$55 each. Using a rain barrel or a shoreline buffer is one of the criteria for winning a Green Community Award. Applications are now being accepted and are available online at shoreviewmn.gov.

Mr. Michael Anderson, 5945 Robin Oak Court, President Shoreview Area Baseball, presented the City with a check for \$10,000 for a baseball scoreboards at Sitzer Park for Little League. The money is a memoriam to Jared Barnes, who recently died in an auto accident and Randy Beebe who died from cancer. On May 8, 2010, there will be a dedication. Jerod's father will attend. He thanked the City for an excellent relationship and reported that three tournaments will be held at Sitzer Park this summer.

Mr. Todd Sharkey, 1003 North 5th Street, Stillwater, noted that the draft minutes noted that he made reference to an engineering report on the Lange property prepared by Evertson's Engineering should actually indicate that the report was prepared by Earth Science Associates. Mr. Sharkey then read a letter that was sent to the Ramsey County Sheriff's Department requesting their attendance at the City Council meetings, and indicated that he has been having a hard time getting someone from the Sheriff's Department to listen to his complaints. He indicated on numerous occasions he has reported to staff that the home at 1000 Oakridge Drive was in violation of City Code and that the driveway that was constructed on an easement north of his parent's property was done without a permit, but nothing has been done. On March 24, 2010, court testimony of the City Manager indicates that his parents applied for a minor subdivision, but he has more than one letter from City officials acknowledging the application to be his own. He requested that the record be corrected.

COUNCIL COMMENTS

Mayor Martin:

There will be a Park and Recreation Open House Health and Fitness Expo on Sunday, April 25, 2010, from 3:00 to 6:00 p.m. at the Community Center. Admission is free, including the Tropics Water Park and fitness center. There will be fitness equipment orientation and information about programs offered at the Community Center and a drawing for a free seasonal membership.

Northwest Youth and Family Services will hold its annual Leadership Luncheon at the Midland Hills Country Club on May 5, 2010. Marilyn Carlson Nelson is the speaker. The luncheon is free. It is an opportunity to hear about the agency's programs. Reservations can be made by calling Northwest Youth and Family Services. Voluntary donations will be accepted.

Councilmember Huffman:

Announced again the scoreboard dedication event at Sitzer Park on Saturday, May 8, 2010.

Councilmember Withhart:

Spring Cleanup Day is May 1st, from 8:00 a.m. to 4:00 p.m., at the Ramsey County Garage on Highway 96 in Arden Hills.

Councilmember Wickstrom:

Asked if it would be possible for the rain barrels and compost bins to be sold at the County site rather than in Roseville on May 1st for Cleanup Day. Mr. Schwerm will check to see if that is possible.

Shoreview has one of the highest return (83%) of census forms of surrounding cities. She urged residents to fill out and return the forms. The forms need to be returned for the State to receive its share of federal funding, and money is saved when the census workers do not have to go door to door.

CONSENT AGENDA

Item No. 1, April 5, 2010, City Council Meeting Minutes, was pulled for separate discussion.

Page 2: Councilmember Huffman corrected the reference to Evertson's Engineering in the last paragraph to Earth Sciences engineering report.

MOTION: by Councilmember Withhart, seconded by Councilmember Huffman to adopt the consent agenda of April 19, 2010 approving the necessary motions and resolutions with the amendment of the April 5, 2010 City Council meeting minutes:

1. April 5, 2010 City Council Meeting Minutes, as amended
2. Receipt of Committee/Commission Minutes
 - Economic Development Authority
3. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation
4. Verified Claims in the Amount of \$920,276.40
5. Purchases
6. License Applications
7. Award of Quote - Community Center Carpet Replacement
8. Establishing Project and Accepting Proposals - Lift Station Repairs and Renovation, CP10-02 PULLED

VOTE: Ayes - 5 Nays - 0

PUBLIC HEARING

MODIFICATION TO MUNICIPAL DEVELOPMENT DISTRICT NO. 2

Presentation by Asst. City Manager/Community Development Director Tom Simonson

The proposed amendments will allow the City flexibility in the use of financial resources for the new housing loan program and other economic development initiatives. A public hearing is required for the proposed changes to the municipal development district boundaries. Ramsey County and the school districts have been notified. No objections have been received.

A municipal development district is a required designated area that enables the City to undertake and implement development programs, such as economic development and housing rehab. In the 1980s, the City established District Nos. 1 and 2. In 1997, the two districts were combined into one. That district has been in place since that time. Currently, there are six TIF districts within the existing boundary of District No. 2. State law allows pooling of funds as long as they are used within the designated district area. Municipal Development District No. 2 encompasses most of Shoreview and has focused on commercial areas. Certain residential areas were not included. The proposal is to use TIF funds for housing improvement initiatives and for the Home Energy Improvement Loan Program. Modification to the boundaries will allow qualifying residents' access to these programs.

The Economic Development Authority (EDA) has reviewed the proposal and recommends the modifications as proposed. The new map incorporates the budget amendment and TIF plans.

Councilmember Quigley asked the reason the entire City was not included in 1997. Mr. Simonson responded that at the time focus was on commercial development. There was no discussion of housing rehab programs.

Councilmember Withhart added that when the two districts were combined, additional real estate was not considered.

City Attorney Filla stated that the required publications have been made for the public hearing, which is now in order.

Mayor Martin opened the public hearing at 7:33 p.m.

Councilmember Huffman stated that the change will have no impact on taxpayers. It will put all residents in the City on the same footing for the loan program and other housing programs that are launched. The EDA fully supports this initiative.

MOTION: by Councilmember Huffman, seconded by Councilmember Quigley to close the public hearing at 7:34 p.m.

VOTE: Ayes – 5 Nays – 0

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to adopt Resolution No. 10-28, approving the modification of Municipal Development District No. 2, as shown on the revised map included with said resolution.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
Nays: None

BUDGET/PLAN AMENDMENTS TO TIF DISTRICTS 1, 2 AND 5

Presentation by Asst. City Manager/Community Development Director Tom Simonson

This proposal is the result of an analysis of the City's TIF financing districts by the EDA. The purpose of the analysis is to identify resources that would be available for economic development, housing and redevelopment programs. The proposed amendments would retain and maximize the City's future flexibility to use both existing and future unobligated TIF revenues for economic development, real estate development and housing. TIF Districts 1, 2 and 5 have existing or potential fund balances. Most of the TIF districts are close to expiration within the next several years. TIF District Nos. 3, 4 and 6 are restricted and do not have projected resources for other uses. No changes are proposed for those districts.

The City has the ability to amend the TIF District budget plan prior to expiration of the district. Amendments must be enacted prior to use of TIF funds for specific programs. TIF District Nos. 1 and 2 tax revenues were created in 1990. The proposed revised amended budget and plan is for TIF District Nos. 1, 2 and 5 for the primary purpose of dedicating \$300,000 toward the new Home Energy Improvement Loan Program with the use of TIF funds. Additional budget and plan descriptions are recommended for inclusion to broaden the City's ability to use TIF resources for housing, planned redevelopment areas, business commercial improvement areas, multi-family improvement areas and scattered site programs that are potential blight problems and nuisance properties.

All budget descriptions currently in the TIF plan remain. New descriptions to be added provide greater flexibility for the future. State law requires the City to identify properties and demographic areas that may be considered for acquisition or improvements. The descriptions proposed are consistent with the City's Comprehensive Plan and other goals and policies.

The budgets have been modified to reflect current City goals and initiatives without committing to specific projects or expenditures. The City Council would dedicate \$300,000 to the Home

Loan Program. Other revenue will generate future discussion in light of EDA and Council priorities for TIF. Staff recommends approval.

Mayor Martin asked how new areas that are identified would be included. Mr. Simonson responded that properties outside would be on the basis of whether the City is interested or felt it necessary to participate financially. Another option would be to create a new TIF district. The unobligated TIF funds are a fairly small amount of the anticipated revenues.

Mr. Simonson stated that these funds are not general tax dollar revenue. It is special revenue that has accrued through TIF districts created for specific purposes of development or redevelopment. The main change is incorporation of housing programs as a valued use for these resources that cannot be put toward the general operations of the City. These are funds in addition to tax revenue to be used for economic development that otherwise could not happen. The City has used TIF funds on blighted and polluted property. There are specific rules on how it is to be applied. Historically, Shoreview has been very conservative. To have only six districts is a small number of a city of this size.

Councilmember Huffman emphasized that the EDA requested that all documents refer to the fact that the funds used for the loan program are not from general tax dollars but from special revenue sources designated for housing through TIF.

Mayor Martin noted that this is one of the ways to maintain value in a residential community.

Councilmember Wickstrom noted that townhouses are not eligible for the home loan program. Mr. Simonson stated that the EDA discussion focused on a home loan program that is restricted to single-family owner occupied properties. It is suggested in the TIF Plan that there are certain townhouse associations that could use TIF assistance. Others are in good condition.

Councilmember Wickstrom requested that before the City invests in townhouse developments, there needs to be assurance that monthly dues will be adequate to fund future capital projects so that the problem will not reoccur. Mr. Schwerm stated that no program with townhouses is being proposed at this time, however, budget modifications do allow future flexibility. Mr. Simonson added that the EDA has not fully discussed townhouse associations. Any future programs would need to come back before the City Council. The main purpose is to launch the home loan program. Further modifications can be made if needed.

MOTION: by Councilmember Huffman, seconded by Councilmember Quigley to adopt Resolution No. 10-29, approving budget modifications to Tax Increment District Nos. 1, 2 and 5, included as Attachments A, B, and C.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Huffman, Martin
Nays: None

APPROVAL OF NEW HOME ENERGY IMPROVEMENT LOAN PROGRAM

Presentation by Asst. City Manager/Community Development Director Tom Simonson

The EDA is focusing on three specific housing issues: 1) address the current foreclosure crisis; 2) address scattered site blight nuisance properties; and 3) create the Home Energy Improvement Loan Program. The EDA has applied to Ramsey County for funding to acquire one long-time blighted property in the City. The EDA adopted the first sponsored housing improvement loan program that is designed to assist residents with home improvements because it is very difficult for residents to obtain second mortgages or lines of credit through lending institutions because of tight banking restrictions. Residents may have sufficient income and reasonable debt levels, but home values have decreased in recent years. The Home Energy Improvement Loan Program is designed to fill the gap.

The proposed loan program is funded with TIF revenues in the amount of \$300,000. The Housing Resource Center will administer the loan program on the City's behalf. The City Council and EDA will monitor its success and ongoing community need. This is a revolving loan fund with repayment over time replenishing the fund, so that additional loans can be given. Eligible improvements include new roofs, energy efficient heating and cooling systems, the addition or replacement of insulation, replacement of windows and doors, water heaters. As part of the application, an energy audit is required. The maximum loan amount is set at \$20,000, with the interest rate updated quarterly at two points above prime rate for a 30-year mortgage. The maximum loan term is ten years. Full repayment is due if the property is sold, title transferred, or if the property is not owner occupied. If the borrower remains in the home for the 10-year loan term, all interest will be refunded. Eligibility requires income to not be higher than 120% of Shoreview's median household income. Income criteria must be established in order to use TIF funding. The value of the home cannot exceed 120% of the median value single family home in Shoreview. In 2010, the median home value is \$262, 200.

A marketing brochure has been prepared. It will be sent to realtors and housing agencies. Also notices and press releases will promote the program. All documents have been reviewed by the City Attorney and Housing Resource Center. The EDA expects the program to be operational by May 3, 2010. Applications will be available at the beginning of May.

Councilmember Huffman stated that there is no intention to compete with banks. Once the market normalizes, he would not be surprised to see the loans stop. The purpose is to advance the mission of Shoreview by regenerating housing value. The interest gained on each loan is expected to cover administrative costs.

Mayor Martin asked the reason the interest is two points above prime rate for the 30-year mortgage. Councilmember Huffman stated he preferred a lower rate, but second mortgages have higher rates. This is a loan secured by a second mortgage.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to formally approve the creation and implementation of the Shoreview Home Energy Improvement Loan Program, as recommended by the Economic Development Authority, including the following:

1. Authorizing the allocation of \$300,000.00 from existing tax increment financing/funds to support the new loan program.
2. Adoption of a Subordination Policy and other related documents in support of the new loan program.

ROLL CALL: Ayes: Wickstrom, Withhart, Huffman, Quigley, Martin
Nays: None

APPROVAL OF AMENDED SERVICES AGREEMENT WITH GREATER MINNEAPOLIS HOUSING CORPORATION (GMHC) - HOUSING RESOURCE CENTER

Presentation by Asst. City Manager/Community Development Director Tom Simonson

GMHC has resource centers throughout the metro area and provides administration for a number of housing programs for cities. The City has contracted with Housing Resource Center (HRC) for almost 10 years for housing improvement counseling for residents. It is recommended that this consultant agreement be amended to include administration of the Home Energy Improvement Loan Program at a fee of \$12,000 annually. An additional loan administration fee is 10% of the total loan pool, or \$30,000 to service the loans. That is a standard fee charged to other communities for similar programs. This includes distribution of loan application packets, providing information on different loan programs for borrowers, conducting the closing, preparation of documents, disbursement of funds and setting up a cash interest bearing escrow account. Monthly reports on loan activity will be provided to the City. Staff and the EDA are recommending the amendments to the services agreement with HRC.

MOTION: by Councilmember Huffman, seconded by Councilmember Withhart to approve a revised and amended Consultant Services Agreement with the Greater Metropolitan Housing Corporation (GMHC) for the Housing Resource Center to administer the new Home Energy Improvement Loan Program on behalf of the City of Shoreview, and authorize the Mayor and City Manager to execute this agreement.

ROLL CALL: Ayes: Withhart, Huffman, Quigley, Wickstrom, Martin
Nays: None

**APPROVAL OF PLANS AND SPECIFICATIONS AND AUTHORIZE BIDS -
HAWES/DEMAR/RUSTIC RECONSTRUCTION, CP 10-01**

Presentation by Public Works Director Mark Maloney

This project is in the City's Capital Improvement Program (CIP) for 2010. The feasibility study was received by the City Council on February 16, 2010, and a public hearing was held on April 5, 2010. This neighborhood has no street lighting, and a number of residents have expressed opposition to street lights. Staff is working with residents to place street lights at locations that are not offensive. Street lighting is separate from the roadway design and will be a separate bid.

Suitable locations have been identified with Ramsey Conservation District for rain gardens. Staff is in the process of talking to property owners to determine their interest. This item can be added or deleted as a minor adjustment during the project. It is staff's recommendation that the plans and specifications be approved and the public bidding process be authorized.

Councilmember Withhart asked if there would be an alternate bid for the use of concrete. Mr. Maloney stated that it is staff's intent to bid the equivalent concrete street with a bituminous roadway. There is merit in making the comparison because of cost.

MOTION: by Councilmember Huffman, seconded by Councilmember Quigley to adopt Resolution No. 10-30 approving plans and specifications for the Hawes, Demar, Rustic Neighborhood Road Reconstruction, City Project 10-01, and ordering the taking of bids on Tuesday, May 11, 2010, at 10:00 a.m., at the Shoreview City Hall.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
Nays: None

TEXT AMENDMENT - FLOODPLAIN MANAGEMENT

Presentation by City Planner Kathleen Nordine

The Federal Emergency Management Agency (FEMA) revised the Flood Insurance Rate Map as a result of the completion of an updated Flood Insurance Study. The new documents will take effect June 4, 2010. Shoreview's Flood Plain Management Ordinance complies with FEMA requirements, and amendments are proposed in order for the City to remain eligible and residents able to participate in the national flood insurance program. Flood plain districts are described in the staff report. Staff recommends approval of the proposed amendments. Conditional approval has been received from the DNR.

The Planning Commission held a public hearing on February 23, 2010. It was determined that the 100-year flood elevation for the Wabasso Channel, which connects to Grass Lake, shows one

house floor below the flood elevation. Future improvements on six lake lots in this area may be impacted. Of primary concern is that the City does not have the lowest floor elevations on structures. Floor elevations are required to be at least one foot above flood elevation. Future improvements would have to comply with that standard. The Planning Commission recommended approval on a 6 to 0 vote. The amended ordinance does comply with the City's Surface Water Management Plan.

Mayor Martin asked if property owners along the Lake Wabasso channel have been notified of the possible impact to their property. Ms. Nordine responded that they were notified as part of the public notification process. No responses have been received.

Councilmember Wickstrom stated that there is a lot of wetland in northern Shoreview and asked if houses abutting those areas are safe. Ms. Nordine stated that there are instances where there is a flood plain designation on private property and in yards, but structures are outside the flood plain area. The only area of concern is the Lake Wabasso Channel. Mr. Schwerm noted that in 2005 or 2006, the City corrected many floodplain designations in the City particularly in northern Shoreview where FEMA maps were not accurate. The changes that were incorporated at that time are generally consistent with the new FEMA maps.

MOTION: by Councilmember Quigley, seconded by Councilmember Huffman to adopt Ordinance No. 864, revising Chapter 200 of the Municipal Code, by amending regulations for flood plain management, and to authorize publication of an Ordinance Summary.

The approval is based on the following findings of fact:

1. The amendment adopts the Flood Insurance Study (FIS) and Flood Insurance Rate Map (FIRM) prepared by the Federal Emergency Management Agency (FEMA) for Ramsey County that will be effective June 4, 2010.
2. By amending City regulations pertaining to Flood Plain Management, the City meets its statutory obligation to minimize flood losses.
3. Adoption of these flood plain management regulations is required in order to allow residents of Shoreview to participate in the National Flood Insurance Program (NFIP).

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Huffman, Martin
Nays: None

TEXT AMENDMENT - DANGEROUS DOG ORDINANCE

Presentation by City Manager Terry Schwerm

The proposed amendment is to update City Code to reflect current changes in state statutes regarding dangerous dogs. State law has added an annual registration for potentially dangerous dogs as determined by an animal control provider. The annual registration fee is \$250.00. The dangerous dog designation can be appealed. If, after a hearing, it is determined that the dog is dangerous, compliance with code provisions will be required. This includes implementing a microchip, sterilizing the dog within 30 days of being designated a dangerous dog, providing proper enclosures, keeping the dog muzzled if outside the enclosure, and posting a “Dangerous Dog” sign on the property. A \$300,000 surety bond or liability insurance policy is also required. The proposed standards for a potentially dangerous dog are slightly different.

The Public Safety Committee has reviewed the ordinance and, with staff, recommends approval.

Councilmember Wickstrom asked the difference between a dangerous dog and a potentially dangerous dog.

Mayor Martin stated that the definitions are in the Municipal Code. This designation is not for a particular breed of dog but is based on behavior by the dog. Mr. Schwerm stated those actions are biting a human or domestic animal or approaching people in an attitude of attack.

City Attorney Filla stated that the proposed ordinance is consistent with state law and also establishes a hearing process for both dangerous dogs and potentially dangerous dogs. If a dog bites a second time, it becomes designated as dangerous. It will be easier to prove the designation of dangerous dog after a hearing on a potentially dangerous dog to review the circumstances of safety.

Councilmember Huffman asked who makes the determination. Mr. Schwerm stated that an animal control officer would make the designation and the Sheriff’s Department would conduct the hearing whether to uphold the designation. An appeal can be filed on an annual basis. Once a dog is designated as potentially dangerous or dangerous, the owner can periodically request a hearing to remove the designation.

MOTION: by Councilmember Withhart, seconded by Councilmember Huffman to adopt Ordinance No. 866 amending the City Code provisions relating to Dangerous and Potentially Dangerous Dogs.

ROLL CALL: Ayes: Wickstrom, Withhart, Huffman, Quigley, Martin
Nays: None

SPECIAL ORDER OF BUSINESS

Commercial Fertilizer Applicators

Councilmember Wickstrom reported observing commercial fertilizer applicators allowing fertilizer on the street, in gutters and piled where the applicators are being filled. The City used to license commercial applicators, but since the State has changed state law, the State now handles licensing. She requested staff to research strengthening the City's ordinance to require City licensing and to place this issue for a workshop discussion.

Councilmember Quigley stated that the Council needs to define exactly what commercial fertilizer companies are expected to do.

Mayor Martin stated that the list of licensed providers is needed and the providers being used by townhouse associations. Once the providers are known, a letter can be sent. She agreed that a discussion is needed to put more teeth in the ordinance.

Mr. Schwerm stated that state law prohibits fertilizer on streets, roads, driveways and hard surfaces. Staff will find out the names of services doing work in the area and look into whether a reminder is needed, or if the City should set up a licensing program.

ADJOURNMENT

MOTION: by Councilmember Huffman, seconded by Councilmember Withhart to adjourn the meeting at 9:00 p.m. on April 19, 2010.

ROLL CALL: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 3RD DAY OF MAY 2010.

Terry C. Schwerm
City Manager